

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0289P

Withholding Tax

Months Ending 12/31/00, 01/31/01, 2/28/01, 4/30/01, and 5/31/01

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer was assessed late filing penalties for several months in the years 2000 and 2001. In a letter dated October 15, 2001, taxpayer requests the department waive the penalties and interest assessed against it. On November 21, 2001, the taxpayer's president called the hearing officer and stated that he wanted the penalty waived.

Taxpayer states it changed accounting software the first part of January 2001 and following the migration of the software, the taxpayer was unable to generate reports write checks, etc. Taxpayer states she called the Revenue department to inquire which months she owed withholding taxes. Taxpayer further states that she has received letters for January, February, April, and May 2001 since the December 2000 assessment letter and requests a penalty waiver due to computer problems. Taxpayer states it intends to file its returns on a timely basis in the future.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer failed to timely remit withholding tax for several months in the years 2000 and 2001 and states she was unfamiliar with the accounting software.

Taxpayer has received another late payment billing for July 2001 since the department received

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the letter of protest. It seems apparent that the taxpayer has not made an effort to timely remit tax since the problem first occurred.

Taxpayer's failure to remit the tax was not the result of reasonable cause. Taxpayer must make itself aware of proper filing procedures and time limits when paying taxes.

FINDING

Taxpayer's protest is denied.

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